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Macroeconomic policy questions: commodities

Programme budget for the biennium 2002-2003

Commodities

Programme budget implications of draft resolution A/C.2/57/L.73

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedures of the General Assembly

I. Request contained in the draft resolution

1. Under the terms of operative paragraph 11 of draft resolution A/C.2/57/L.73, the General Assembly would call upon the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD), within existing budgetary resources, supplemented by voluntary contributions, as appropriate, to designate independent eminent persons to examine and report on commodity issues, including the volatility in commodity prices and declining terms of trade and the impact these have on the development efforts of commodity-dependent developing countries, for consideration by the executive session of the Trade and Development Board and subsequently by the General Assembly at its fifty-eighth session.

II. Relationship of the proposed request to the medium-term plan for the period 2002-2005 and the programme of work for the biennium 2002-2003

2. The activities to be carried out would relate to programme 9, Trade and development, of the medium-term plan for the period 2002-2005 and section 11A, Trade and development, of the programme budget for the biennium 2002-2003.

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III. Activities by which the proposed request would be carried out

3. The Secretary-General of UNCTAD would designate nine independent eminent persons, on a broad geographical basis, to examine and report on commodity issues, including the volatility in commodity prices and declining terms of trade and the impact these have on the development efforts of commodity-dependent developing countries, for consideration by the executive session of the Trade and Development Board and subsequently by the General Assembly at its fifty-eighth session. The nine eminent persons would attend the executive session of the Board in order to present their findings and assist it during its consideration of the report.

4. Should the General Assembly adopt draft resolution A/C.2/57/L.73, the programme of work under section 11A, Trade and development, subprogramme 3, International trade, would be modified as follows:

At the end of paragraph 11A.35 (iii) b. add the words "Report by eminent persons on commodity issues, including the volatility in commodity prices and declining terms of trade and the impact these have on the development efforts of commodity-dependent developing countries (1)".

IV. Additional requirements at full costs

5. Should the General Assembly adopt draft resolution A/C.2/57/L.73, the additional resources estimated at full costs for 2003 would be as follows:

Additional requirements	*United States dollars*
Section 11A, Trade and development	$
Consultants/experts	
Nine work-months for the eminent persons to prepare a report on commodity issues, as described in operative paragraph 11 of the draft resolution ($63,000)	95 600
Travel costs of the nine eminent persons for attendance at the executive session of the Trade and Development Board ($32,600)	
General temporary assistance	
Two work-months of secretarial assistance to provide support in the organizational and preparatory work ($6,000)	16 000
Three work-months of a statistical assistant to undertake research and gathering of data particularly in areas such as quantifying impacts and significance of different factors causing declining terms of trade and price instability as well as on the price transmission mechanisms in current market structures ($10,000)	

Additional requirements	*United States dollars*
Travel of staff	
Consultations with international organizations and research institutions to discuss the impacts of terms of trade movement and commodity prices on selected developing countries' development performance and to discuss the data, methodology and findings of research to be conducted.	10 000
Total section 11A	**121 600**

V. Potential for absorption during the biennium 2002-2003

6. No provisions have been made under the regular budget for the biennium 2002-2003 for the activity envisaged under operative paragraph 11 of draft resolution A/C.2/57/L.73. Further, no activities were identified to be postponed or curtailed that would enable to release resources in order to accommodate the request contained in the above-mentioned paragraph. In addition, there are currently no extrabudgetary resources available to accommodate the additional activities.

7. As regards the phrase "within existing resources, supplemented by voluntary contributions" in paragraph 11 of the draft resolution, the attention of the Second Committee is drawn to the provision of General Assembly resolution 45/248, part B, section VI, in which the General Assembly:

(a) Reaffirmed that the Fifth Committee was the appropriate Main Committee of the General Assembly entrusted with responsibilities for administration and budgetary matters;

(b) Also reaffirmed the role of the Advisory Committee on Administrative and Budgetary Questions;

(c) Expressed its concern at the tendency of its substantive committees and other intergovernmental bodies to involve themselves in administrative and budgetary matters;

(d) Invited the Secretary-General to provide all intergovernmental bodies with the required information regarding procedures for administrative and budgetary matters.

VI. Summary

8. **The implementation of the request contained in operative paragraph 11 of draft resolution A/C.2/57/L.73 would entail additional resources in the amount of $121,600. The Secretariat shall attempt to identify any available regular budget resources under section 11 which might finance those activities in 2003, and will seek extrabudgetary contributions in order to enable implementation of the above-mentioned request.**